

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

In the matter of:

Numbering Resource Optimization

CC Docket No. 99-200

Implementation of the Local Competition  
Provisions of the Telecommunications Act  
of 1996

CC Docket No. 96-98

Telephone Number Portability

CC Docket No. 95-116

**COMMENTS OF THE IOWA UTILITIES BOARD**

**Summary**

The Iowa Utilities Board (Iowa) submits these comments in response to the Federal Communication Commission's (Commission) Third Order on Reconsideration in CC Docket No. 99-200, Third Further Notice of Proposed Rulemaking in CC Docket 99-200, and Second Further Notice of Proposed Rulemaking in CC Docket No. 95-116 released March 14, 2002, seeking public comment regarding whether the Commission should extend Local Number Portability capability (LNP) to all carriers in the largest 100 Metropolitan Statistical Areas (MSAs) regardless of whether they receive a request to provide LNP, whether all carriers in the top 100 MSAs should be required to participate in Thousands-Block Number Pooling (TBNP) regardless of whether they are required to be LNP-capable, and whether all MSAs included in Combined

Metropolitan Statistical Areas (MSAs), on the Census Bureau's list of the largest 100 MSAs, should be included in the Commission's list of top 100 MSAs.

### **LNP-Capability**

The first question asks whether the LNP capability requirement should be extended to all carriers in the largest 100 MSAs, regardless of whether they have received a bona fide request for LNP. Iowa believes the answer is yes.

In order to promote full and effective competition, and to be competitively neutral, all carriers in the largest 100 MSAs need to be LNP-capable. Many carriers complain that the cost of implementing switch upgrades, purchasing software, and paying for the database lookups necessary for porting, are too high and not cost effective. This may be true for small carriers in rural areas but for carriers in the top 100 markets it seems LNP for all carriers is the next reasonable step.

Since LNP allows customers to keep their current telephone numbers when changing carriers, one might expect that a competitive local exchange carrier (CLEC), new to the market, would want to embrace LNP as a tool for gaining market share. However, some CLECs are creating ways to compete, without LNP, that skirt FCC numbering resource optimization orders and eliminate the need to wait up to six months for the ILEC to implement LNP.

For example, there are independent local exchange carriers (ILEC) who negotiate deals with CLECs, offering them various forms of consideration, so that the CLEC will not make a bona-fide request for LNP. As a result, some ILECs in

Iowa are still offering only interim LNP (basically call forwarding) instead of full LNP-capability, even though one or more CLECs have entered the ILECs service territory.

In another scenario, prior to the Commission ordering sequential number assignments, CLECs entering new territories would first request an NXX code very similar to the incumbent's, then offer customers the same last four digits of their current (ILEC) telephone number, resulting in an almost identical telephone number. This allowed the CLEC to enter the market without making a bona fide request for LNP to the ILEC and the CLEC did not have the expense of investing in LNP. Additionally, the CLEC gained the competitive benefit of making it less attractive for its new customers to switch back to the ILEC, since this would involve another telephone number change. The result of this scheme is both wasteful of numbering resources and an impediment to the development of full and fair competition. Based on recent discovery, Iowa believes other CLECs are continuing to enter the market in this manner, demonstrating they still intend to circumvent LNP and the Commission's rules, putting their own commercial interests ahead of the public interest in number conservation.

Another class of new market entrants that does not request LNP capability is the data LEC, or DLEC. These carriers, which specialize in serving Internet service providers and other data-only customers, do not require LNP for competitive purposes. Computers dial the telephone numbers, so the DLECs have no qualms about requiring a customer to change telephone numbers in order to use their services. Moreover, they are typically unwilling to make a bona

file LNP request due to the six-month wait under 47 USC § 251(f)). Further, if the ILEC asserts a rural exemption claim, the elapsed time can stretch beyond six months. The DLECs have no incentive to request LNP-capability. Nor do they intend to incur the costs and delays associated with LNP, when they and their customers don't really care what their telephone numbers might be. Instead, the DLEC simply obtains an initial NXX from NANPA, uses only a handful of the 10,000 telephone numbers and strands the rest. Apparently, unless carriers are mandated to participate in number conservation measures, they will not, unless it is profitable to them. Few carriers will take the long-term view and avoid the inevitable costs associated with the exhaust of the NANP when they have options that save them money today.

### **Thousands-Block Number Pooling**

The Commission's next question asks if all carriers in the top 100 MSAs should be required to participate in Thousands-Block Number Pooling (TBNP) regardless of whether they are required to be LNP-capable. For the reasons described in the preceding section, the answer is clearly yes.

Iowa's 712 NPA is scheduled to begin TBNP in the 2<sup>nd</sup> Quarter of 2002. There are thirteen rate centers eligible for pooling within the CMSA. Without an order from the Commission requiring LNP-capability and/or pooling participation, only five rate centers will participate in pooling in the CMSA. If carriers can participate in pooling using the LRN architecture or another technical arrangement, then they should be required to help extend the life of the NANP by

pooling. It does not seem competitively neutral to require only some carriers in the MSA to participate in pooling. Without straightforward guidelines, backed up by effective enforcement measures and penalties, many carriers continue to interpret the existing guidelines in ways that require little or no cash outlay but waste numbering resources. Some simply ignore the guidelines altogether.

Requiring all carriers to pool might offer a partial solution to the growing number conservation problem concerning DLECs, as described in the previous section. Currently, many DLECs try to obtain a new NXX in every rate center. However, since DLECs can use the Local Routing Number (LRN) architecture to identify their networks, they should be able to utilize a single thousands-block and contribute to a pool rather than stranding 9,000 numbers per LATA or in multiple rate centers. Another example is the wireless industry, which, historically, has fought the Commission on providing LNP and pooling by the November 2002 deadline. In Iowa, almost 60% of all applications for new NXXs, over the last year, are from wireless carriers.

### **Combined MSAs**

The Commission's third question is whether Combined Metropolitan Statistical Areas (CMSAs), on the Census Bureau's list of the largest 100 MSAs, should be included on the FCC's list of top 100 MSAs. Again, the answer is yes.

The Combined Metropolitan Statistical Areas include nearby and/or adjoining areas that share similar demographics to those in the original MSA. CMSAs represent natural calling areas and natural markets for

telecommunications services. The Census Bureau has good reason to include developed or developing communities within the boundaries of traditional MSAs. To not do so would likely skew the overall statistics of the MSA because a significant portion of the relevant population in the immediate area would be excluded. The Commission should embrace this strategy as well, in an effort to achieve the most benefit from number conservation.

Additionally, because there are costs associated with LNP and pooling, it is appropriate that the national rollout focus on the larger CMSAs rather than the MSAs, in order to maximize the benefits.

### **Conclusion**

The telecommunications industry contains many competing agendas that are understandably and undoubtedly going to be at cross-purposes occasionally. It is no wonder that the various participants interpret the procedures regarding LNP-capability and Thousands-Block Number Pooling (TBNP) differently. Therefore, it is up to the Commission to sort through the arguments and choose a course of action that best serves the original intentions. Iowa believes those intentions are to foster competition and conserve numbering resources. For the promotion of full and fair competition and to be effective and efficient in number conservation efforts, LNP-capability and Thousands-Block Number Pooling need to be required of all carriers in the top 100 CMSAs. These rules, if passed, also need to be reinforced by timely and effective penalties for non-compliance.

May 6, 2002

Respectfully submitted,

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